Learning Activity 2-1:   Converting Income to an Annual Figure

- Ms. Randall receives a total of $600 TANF benefits per month for herself and her two children.

  Annual income _____   Monthly income _____

- Mr. Price receives a gross wage of $275 biweekly.

  Annual income _____   Monthly income _____

- Ms. Spiker (age 32) has three children (ages 10, 9, and 6). She receives $150 per week from her mother since she has no income and doesn't want to apply for welfare.

  Annual income _____   Monthly income _____

- Mr. Pfeiffer earns $310 semimonthly from his job as a salesclerk.

  Annual income _____   Monthly income _____

- Mrs. Bass works as a teacher's aide 40 hours per week earning $7.25 per hour.

  Annual income _____   Monthly income _____

ANTICIPATING INCOME

HCV GB 5-17

- Use current circumstances to anticipate income. Project for a full 12 months, even if income is not expected to continue, unless verification forms indicate an imminent change, or income is cyclical (such as seasonal workers).

EXAMPLE OF IMMINENT CHANGE EXPECTED

- Employer reports that a full-time employee receiving $7.25 per hour will receive this for seven weeks.

- In the eighth week after the effective date of the reexam, the employee will begin to receive $8.00 per hour

- How is annual income calculated?

Learning Activity 2-2: Annualizing Income

- It is August and the PHA is gathering information for Lou's annual reexamination, which will be effective November 1. The PHA has verified that Lou currently earns $200 semimonthly but will be receiving a 5% raise effective February 1.

- What is Lou's annual income?

Learning Activity 2-3:   **Calculating Annual Income**

Family name: Scott

Head: wages	$7.25/hour (40 hrs/week)		
Spouse: Social Security	$350/month	Annual income	_____

Family name: Tilden

Head: alimony	$150 semimonthly		
Head: unemployment	$125 weekly	Annual income	_____

Family name: Wahl

Head: disability benefits	$175/month		
F-T student, 19: (not head/spouse/cohead) wages	$7.25/hour (20 hrs/week)	Annual income	_____

Learning Activity 2-4:   Annual Income on the HUD-50058

- It's October and you are conducting an annual recertification for John O'Brien who works part-time in a bakery. He has no other income. PHA policy calls for four current, consecutive pay stubs when calculating annual income. You have collected the following information:

Date	Gross Pay	Net Pay
07/31	$580	$495
08/15	$572	$489
08/31	$582	$497
09/15	$580	$495

Task

- Calculate John's total income by completing Section 7 (7a through 7i) of the 50058 form.

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals				$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)					0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)					$ 6i.
6j. Final asset income: larger of 6g or 6i					$ 6j.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g. Column total						$ 7g.
7h. Reserved						
7i. Total annual income: 6j + 7g						$ 7i.

7b: Income Codes	**Welfare:**	**Other Income Sources:**
Wages: B = own business F = federal wage HA = PHA wage M = military pay W = other wage	G = general assistance IW = annual imputed welfare income T = TANF assistance **SS/SSI/Pensions:** P = pension S = SSI SS = Social Security	C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits

Learning Activity 2-5:   Imputed Welfare Income

• Betty Childs and her three children currently receive TANF benefits. They do not have any other source of income. The welfare agency has notified you that Ms. Childs' benefits are being reduced because of fraud. Ms. Childs' regular TANF amount is $650 per month. Her TANF is being reduced to $350 per month, and the reduction is expected to last for the next 12 months. She continues to receive the reduced TANF benefits of $350 each month.

• Using Section 7 of the 50058s on the following pages, calculate the Childs family's total annual income (lines 7a through 7i) using the scenarios below.

   - ***Scenario 1:*** Calculate the imputed welfare income and total income for the family.

Head of household name	**Childs**	Social Security Number	Date modified (mm/dd/yyyy)

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g.	Column totals			$ 6f.	$ 6g.
6h.	Passbook rate (written as decimal)				0. _____ 6h.
6i.	Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)				$ 6i.
6j.	Final asset income: larger of 6g or 6i				$ 6j.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g.	Column total					$ 7g.
7h.	Reserved					
7i.	Total annual income: 6j + 7g					$ 7i.

7b: Income Codes **Wages:** B = own business F = federal wage HA = PHA wage M = military pay W = other wage	**Welfare:** G = general assistance IW = annual imputed welfare income T = TANF assistance **SS/SSI/Pensions:** P = pension S = SSI SS = Social Security	**Other Income Sources:** C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits

Head of household name	**Childs**	Social Security Number	Date modified (mm/dd/yyyy)

- *Scenario 2:* It is three months later, Ms. Childs now begins to receive $150 per month in alimony. She continues to receive the $350 per month in TANF. The welfare sanction reducing her TANF benefits from $650 a month to $350 a month is still in place. Calculate the imputed welfare income and total annual income on part 7 of the form HUD-500058.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g.	Column total					$ 7g.

7h.	Reserved

7i.	Total annual income: 6j + 7g					$ 7i.

7b: Income Codes **Wages:** B = own business F = federal wage HA = PHA wage M = military pay W = other wage	**Welfare:** G = general assistance IW = annual imputed welfare income T = TANF assistance **SS/SSI/Pensions:** P = pension S = SSI SS = Social Security	**Other Income Sources:** C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits

Head of household name **Childs**	Social Security Number	Date modified (mm/dd/yyyy)

- *Scenario 3:* It is now six months later. Ms. Childs has a new job at which she earns $500 monthly. She continues to receive the $150 a month in alimony. The welfare sanction reducing her TANF benefits from $650 a month to $350 a month is still in place. Calculate the imputed welfare and total annual income on part 7 of the form HUD-50058.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g.	Column total				$	7g.

7h.   Reserved

7i.	Total annual income: 6j + 7g	$	7i.

7b: Income Codes **Wages:** B = own business F = federal wage HA = PHA wage M = military pay W = other wage	**Welfare:** G = general assistance IW = annual imputed welfare income T = TANF assistance **SS/SSI/Pensions:** P = pension S = SSI SS = Social Security	**Other Income Sources:** C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits

Learning Activity 2-6:   EID Calculation: Stevens Family

Task

- Calculate the amount of the EID family member's earnings to be included in annual income.

Scenario

- At Michael Stevens' annual reexamination, his annual income consisted of $4,500 from veteran's benefits. This has been his only income for the last two years. Michael is disabled.

Part 1

- Michael has just reported he became employed on January 15, 2018, and the PHA has verified that he will now be earning $10,500 per year. He will continue receiving $4,500 a year from veteran's benefits. PHA policy calls for a 50 percent exclusion during the phase-in period.

    - How much is Michael's prequalifying (baseline) income?
      (*ALL* income of EID family member prior to qualifying event.)

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member	$	
A2. Earned income, if any, included in prequalifying income. $		
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.** $		
B. Other income of EID family member (including income from assets)	$	
C. Total annual income of EID family member (A1 + B)	$	
D. Enter prequalifying income	$	
E. Full exclusion (C – D, *but no more than A3*)	$	
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	$	

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)	$	
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	$	
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f	$	

Form HUD-50058

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

Part 2

- Michael is still earning $10,500 annually, but his veteran's benefits have been reduced to $3,000.

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member		$	
A2. Earned income, if any, included in prequalifying income.	$		
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.**	$		
B. Other income of EID family member (including income from assets)		$	
C. Total annual income of EID family member (A1 + B)		$	
D. Enter prequalifying income		$	
E. Full exclusion (C – D, *but no more than A3*)		$	
F. 50% exclusion during phase-in period, if applicable (E × 0.50)		$	

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)	$	
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	$	
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	$	

Form HUD-50058

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

Part 3

- Michael now reports that, although his earnings remain at $10,500 annually, his veteran's benefits have increased to $6,000.

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member		$
A2. Earned income, if any, included in prequalifying income.	$	
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.**	$	
B. Other income of EID family member (including income from assets)		$
C. Total annual income of EID family member (A1 + B)		$
D. Enter prequalifying income		$
E. Full exclusion (C – D, *but no more than A3*)		$
F. 50% exclusion during phase-in period, if applicable (E × 0.50)		$

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)		$
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)		$
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	$	

HUD Form 50058

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

Part 4

- Michael is now entering his phase-in period. His wages dropped to $10,000 annually, and his veteran's benefits remain at $6,000.

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member		$	
A2. Earned income, if any, included in prequalifying income.	$		
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.**	$		
B. Other income of EID family member (including income from assets)		$	
C. Total annual income of EID family member (A1 + B)		$	
D. Enter prequalifying income		$	
E. Full exclusion (C – D, *but no more than A3*)		$	
F. 50% exclusion during phase-in period, if applicable (E × 0.50)		$	

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)	$	
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	$	
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f	$	

Form HUD-50058

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

Part 5

- Michael has been promoted! He is now earning $18,000 annually. His veteran's benefits remain at $6,000.

Step 1: Calculate EID family member's exclusion amount.

A1. Earned income of EID family member	$	
A2. Earned income, if any, included in prequalifying income.	$	
A3. Increase in earned income (A1– A2). **If 0 or negative, STOP. Do not exclude any earned income.**	$	
B. Other income of EID family member (including income from assets)	$	
C. Total annual income of EID family member (A1 + B)	$	
D. Enter prequalifying income	$	
E. Full exclusion (C – D, *but no more than A3*)	$	
F. 50% exclusion during phase-in period, if applicable (E × 0.50)	$	

Step 2: Determine EID family member's wages after exclusion.

G. EID family member's earnings (HUD-50058, 7d)	$	
H. Exclusion (E or F, as applicable) (HUD-50058, 7e)	$	
I. EID family member's earned income after exclusions (G – H) HUD-50058, 7f)	$	

Form HUD-50058

7a. Family member name	No.	7b. Income code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
Michael	1	N				
Michael	1	W				
7g. Column total						

- When total cash value of all assets exceeds $5,000:

     1. Find the cash value of each asset (market value minus expenses)

     2. Total the cash value of all assets

     3. If total exceeds $5,000, multiply the cash value of all assets by the PHA passbook rate

        - This is imputed asset income

     4. Total the actual income from all assets

     5. Compare imputed asset income to actual asset income: Include the greater amount in annual income

Learning Activity 2-7:   Income from Assets – Interest Income

- John O'Brien has a savings account with a current balance of $775. He will earn 1 % interest on the account. The PHA determined passbook rate is .0075.

- Assume that Mr. O'Brien's PHA has a policy of using the current balance of a savings account as its cash value.

Task

1.   List the savings account in Section 6 of the 50058, and calculate the anticipated income from the asset (complete 6a through 6e).

2.   Calculate final asset income (6f through 6j).

3.   Compute total annual income (7i).

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals		$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)			0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)			$ 6i.
6j. Final asset income: larger of 6g or 6i			$ 6j.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
John	1	W	578.50 x 24	$ 13,884	$	$ 13,884
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g. Column total		$ 13,884 7g.
7h. Reserved		
7i. Total annual income: 6j + 7g		$ 7i.

7b: Income Codes	**Welfare:**	**Other Income Sources:**
Wages:	G = general assistance	C = child support
B = own business	IW = annual imputed welfare income	E = medical reimbursement
F = federal wage	T = TANF assistance	I = Indian trust/per capita
HA = PHA wage		N = other nonwage sources
M = military pay	**SS/SSI/Pensions:**	U = unemployment benefits
W = other wage	P = pension	
	S = SSI	
	SS = Social Security	

Learning Activity 2-8:   Cash Value of Assets

- Jenny Day has a house, which has a market value of $250,000. She has an outstanding mortgage balance of $120,000. If she were to sell, she would pay a realtor $6,500 commission and closing (settlement) costs of $500. What is the cash value of the asset?

Market Value   _____

Less HUD Asset Expenses:*

   Broker Fee   _____

   Legal Fee   _____

   Settlement Costs   _____

   Penalty for Early Withdrawal   _____

Less Mortgage Balance   _____

Cash Value   _____

*   *Note:* HUD does not specify what "reasonable costs" may be deducted in determining the cash value of an asset. Therefore, PHAs must establish policies that clarify what costs they will deduct.

Task

1. Obtain the market value of the asset.

2. Subtract the allowable HUD asset expenses, which could include:
   - Broker fee
   - Legal fees
   - Settlement costs
   - Penalty for early withdrawal of the invested asset
   - Subtract mortgage balance the family owes (if any) on the asset

Learning Activity 2-9:   Asset Disposed of for Less than Fair Market Value

• Amanda Blum is disabled and could no longer maintain her home. Several months ago, Amanda "sold" the house to her son for $10,000 of which she put $5,000 into a savings account and bought a car with the remaining $5,000. Her son assumed the mortgage, which has a balance of $50,000, on the house. The house is appraised at $85,000. What is the imputed value of the asset?

• The savings account is earning 1% interest. This PHA uses the current value of savings accounts as asset value. Mrs. Blum has no other assets.

• The PHA determined passbook rate is .0075.

    Market value   _____

    Less HUD asset expenses:

        Realtor's commission   _____

        Legal fee   _____

        Settlement costs   _____

        Penalty for early withdrawal   _____

    Less mortgage balance   _____

    Less amount received   _____

    Imputed asset cash value (6d)   _____

Instructions

1. Obtain the market value of the asset.

2. Subtract the allowable HUD asset expenses, which could include:
   • Broker fee
   • Legal fees
   • Settlement costs
   • Penalty for early withdrawal of the invested asset

3. Subtract any mortgage balance the family owes on the asset.

4. Subtract any amount the family received in payment for receipt of the asset.

5. Complete final asset income on Section 6 of the HUD-50058.

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals		$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)		0. _____ 6h.	
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)		$ 6i.	
6j. Final asset income: larger of 6g or 6i		$ 6j.	

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g. Column total	$ 7g.	
7h. Reserved		
7i. Total annual income: 6j + 7g	$ 7i.	

7b: Income Codes	Welfare:	Other Income Sources:
Wages: B = own business F = federal wage HA = PHA wage M = military pay W = other wage	G = general assistance IW = annual imputed welfare income T = TANF assistance **SS/SSI/Pensions:** P = pension S = SSI SS = Social Security	C = child support E = medical reimbursement I = Indian trust/per capita N = other nonwage sources U = unemployment benefits

CALCULATING RENTAL INCOME

- It is possible for a family to own real property and rent it out. The income from this single rental would be reported in part 6 of the HUD form 50058. Only net rental income would be reported.

Learning Activity 2-10:   Net Rental Income

- As calculated in Learning Activity 2-8: Jenny Day owns a home. The market value is $250,000, and we calculated the cash value to be $123,000.

- Jenny is renting this house to a tenant, with income and expenses as shown below. The PHA determined passbook rate is .0075.

				Annual Amount
Rent	$	525	per month	6,300
Expenses				
Maintenance	$	8	per week	416
Insurance	$	30	per month	360
Taxes	$	145	- 1st half	290
Mortgage payment	$	325	(principal $65)	
Interest payment on loan				3,120
Utilities (water, sewer, trash)	$	40	per quarter	160
Other (explain:)				
			– Total Expenses	4,346
Net rental income				1,954

Task

- Report Jenny's net rental income as given above on the HUD form 50058 following.

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g.	Column totals	$ 6f.	$ 6g.
6h.	Passbook rate (written as decimal)	0. _____ 6h.	
6i.	Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)	$ 6i.	
6j.	Final asset income: larger of 6g or 6i	$ 6j.	

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g.	Column total	$ 7g.
7h.	Reserved	
7i.	Total annual income: 6j + 7g	$ 7i.

7b: Income Codes	**Welfare:**	**Other Income Sources:**
Wages:	G = general assistance	C = child support
B = own business	IW = annual imputed welfare income	E = medical reimbursement
F = federal wage	T = TANF assistance	I = Indian trust/per capita
HA = PHA wage		N = other nonwage sources
M = military pay	**SS/SSI/Pensions:**	U = unemployment benefits
W = other wage	P = pension	
	S = SSI	
	SS = Social Security	

Learning Activity 2-11:   Asset Income

- Adam East   71   Head

- Janine East   72   Spouse

Assets and Income from Assets

- Checking account: six-month average balance $525; no interest earned.

- CD: market value $5,500; penalty for early withdrawal $600; interest rate 3.5%.

- Savings account: current balance $4,130; anticipated annual interest rate 1%.

- Stocks: market value $4,070; broker fees $370; anticipated annual dividend $125.

- Undeveloped property: market value $12,840; zero mortgage balance. Recently sold to daughter for $7,000.

- The PHA determined passbook rate is .0075.

- Assume that the East's PHA has a policy of using the current balance of a savings account and the six-month average balance of a checking account as the cash value of the account.

Task

1.   List the East's assets on the following 50058; compute the cash value of and the anticipated income from the assets (6a through 6e).

2.   Compute the East's final asset income (6f through 6j).

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals			$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)				0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)				$ 6i.
6j. Final asset income: larger of 6g or 6i				$ 6j.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g. Column total	$ 7g.
7h. Reserved	
7i. Total annual income: 6j + 7g	$ 7i.

7b: Income Codes	Welfare:	Other Income Sources:
Wages:	G = general assistance	C = child support
B = own business	IW = annual imputed welfare income	E = medical reimbursement
F = federal wage	T = TANF assistance	I = Indian trust/per capita
HA = PHA wage		N = other nonwage sources
M = military pay	**SS/SSI/Pensions:**	U = unemployment benefits
W = other wage	P = pension	
	S = SSI	
	SS = Social Security	

Learning Activity 2-12:   Dependent and Child Care Allowance

- Becky Walker's annual income is $14,621, all from employment.

- Becky (age 35) has three children, all under 13 years of age. She is paying a total of $60 per week for child care while she works.

Task

- Complete Section 8 of the HUD-50058 to get adjusted annual income.

8. Expected Income Per Year

8a.	Total annual income: copy from 7i			$	8a.

Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount	
				$	
				$	
				$	
				$	
				$	
				$	
8e.	Total permissible deductions (sum of column 8d)			$	8e.

If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f.	Medical/disability threshold: 8a X 0.03		$	8f.
8g.	Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		$	8g.
8h.	Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		$	8h.
		If negative and head/spouse/co-head is under 62 and not disabled, put 0	$	8h.
		If negative and head/spouse/co-head is elderly or disabled, copy from 8g	$	8h.
8i.	Earnings in 7d made possible by disability assistance expense		$	8i.
8j.	Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		$	8j.
8k.	Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		$	8k.
8m.	Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		$	8m.
8n.	Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	$	8n.
		If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	$	8n.
8p.	Elderly/disability allowance (default = $400)		$	8p.
8q.	Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		$	8q.
8r.	Allowance per dependent (default = $480)		$	8r.
8s.	Dependent allowance: 8q X 8r		$	8s.
8t.	Total annual unreimbursed childcare costs		$	8t.
8x.	Total allowances: 8e + 8n + 8p + 8s + 8t		$	8x.
8y.	Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		$	8y.

Learning Activity 2-13:   Disability Assistance Allowance

- Family name: Gilmore

- Head: 38   Earned income: $ 11,000

- Spouse: 32   Earned income: $ 9,000

- Son: 14   (with a disability)

- Disability assistance expense/year $ 4,600
  (enables spouse to work)

Task

- Complete Section 8 of the HUD-50058 to determine adjusted annual income.

8. Expected Income Per Year

8a.	Total annual income: copy from 7i			$ 8a.

Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount
				$
				$
				$
				$
				$
				$

8e.	Total permissible deductions (sum of column 8d)	$ 8e.

If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f.	Medical/disability threshold: 8a X 0.03		$ 8f.
8g.	Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		$ 8g.
8h.	Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		$ 8h.
		If negative and head/spouse/co-head is under 62 and not disabled, put 0	$ 8h.
		If negative and head/spouse/co-head is elderly or disabled, copy from 8g	$ 8h.
8i.	Earnings in 7d made possible by disability assistance expense		$ 8i.
8j.	Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		$ 8j.
8k.	Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		$ 8k.
8m.	Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		$ 8m.
8n.	Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	$ 8n.
		If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	$ 8n.
8p.	Elderly/disability allowance (default = $400)		$ 8p.
8q.	Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		$ 8q.
8r.	Allowance per dependent (default = $480)		$ 8r.
8s.	Dependent allowance: 8q X 8r		$ 8s.
8t.	Total annual unreimbursed childcare costs		$ 8t.
8x.	Total allowances: 8e + 8n + 8p + 8s + 8t		$ 8x.
8y.	Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		$ 8y.

Learning Activity 2-14:   Medical Allowance

- Family name: Alden

- Head: 81

- Spouse: 80

- Annual income: $13,500

Task

1. Calculate total annual anticipated medical expenses in the chart below.

2. Complete Section 8 of form HUD-50058 to determine adjusted annual income.

Medical expense calculation	$ Amount	Times/year	Yearly amount
Health insurance premium $55 monthly:	55 x	=	
Head and spouse each pay $300 annually for eyeglasses:	300 x	=	
Doctor visits 4 times a year at $20 each visit for entire family:	20 x	=	
Anticipated yearly prescription costs of $425:	425 x	=	
Balance due on a medical bill of $325: (will be paying it off at $15 a month)	15 x	=	
		Total:	

8. Expected Income Per Year

8a.	Total annual income: copy from 7i		$ 8a.

Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount
				$
				$
				$
				$
				$
				$

8e.	Total permissible deductions (sum of column 8d)	$ 8e.

If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f.	Medical/disability threshold: 8a X 0.03		$ 8f.
8g.	Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		$ 8g.
8h.	Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		$ 8h.
		If negative and head/spouse/co-head is under 62 and not disabled, put 0	$ 8h.
		If negative and head/spouse/co-head is elderly or disabled, copy from 8g	$ 8h.
8i.	Earnings in 7d made possible by disability assistance expense		$ 8i.
8j.	Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		$ 8j.
8k.	Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		$ 8k.
8m.	Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		$ 8m.
8n.	Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	$ 8n.
		If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	$ 8n.
8p.	Elderly/disability allowance (default = $400)		$ 8p.
8q.	Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		$ 8q.
8r.	Allowance per dependent (default = $480)		$ 8r.
8s.	Dependent allowance: 8q X 8r		$ 8s.
8t.	Total annual unreimbursed childcare costs		$ 8t.
8x.	Total allowances: 8e + 8n + 8p + 8s + 8t		$ 8x.
8y.	Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		$ 8y.

Learning Activity 2-15:   Disability Assistance/Medical Allowance (Eva Family)

- The Eva family qualifies for the elderly/disabled allowance. There are no dependents in the family. The PHA has the following information:

  - SSI: $ 8,250
  - Employment income: $ 8,750
  - Total disability assistance expense: $ 4,300
  - Total medical expenses: $ 1,100

Task

- Using the information above, complete Section 8 of the HUD-50058 to determine adjusted annual income.

8. Expected Income Per Year

8a.	Total annual income: copy from 7i			$	8a.

Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount
				$
				$
				$
				$
				$
				$

8e.	Total permissible deductions (sum of column 8d)	$	8e.

If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f.	Medical/disability threshold: 8a X 0.03		$	8f.
8g.	Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		$	8g.
8h.	Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		$	8h.
		If negative and head/spouse/co-head is under 62 and not disabled, put 0	$	8h.
		If negative and head/spouse/co-head is elderly or disabled, copy from 8g	$	8h.
8i.	Earnings in 7d made possible by disability assistance expense		$	8i.
8j.	Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		$	8j.
8k.	Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		$	8k.
8m.	Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		$	8m.
8n.	Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	$	8n.
		If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	$	8n.
8p.	Elderly/disability allowance (default = $400)		$	8p.
8q.	Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		$	8q.
8r.	Allowance per dependent (default = $480)		$	8r.
8s.	Dependent allowance: 8q X 8r		$	8s.
8t.	Total annual unreimbursed childcare costs		$	8t.
8x.	Total allowances: 8e + 8n + 8p + 8s + 8t		$	8x.
8y.	Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		$	8y.

Learning Activity 2-16:   Disability Assistance/Medical Allowance (Cowles Family)

- The Cowles family qualifies for the elderly/disabled allowance. There are no dependents in the family. The PHA has the following information:

    - SSI: $ 8,250
    - Employment income: $ 8,750
    - Total disability assistance expense: $ 300
    - Total medical expenses: $ 1,100

Task

- Using the information above, complete Section 8 of the HUD-50058 to determine adjusted annual income.

8. Expected Income Per Year

8a.	Total annual income: copy from 7i	$	8a.

Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount
				$
				$
				$
				$
				$
				$

8e.	Total permissible deductions (sum of column 8d)	$	8e.

If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f.	Medical/disability threshold: 8a X 0.03	$	8f.
8g.	Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)	$	8g.
8h.	Maximum disability allowance: If 8g minus 8f is positive or zero, put amount	$	8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0	$	8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g	$	8h.
8i.	Earnings in 7d made possible by disability assistance expense	$	8i.
8j.	Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)	$	8j.
8k.	Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)	$	8k.
8m.	Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)	$	8m.
8n.	Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	$	8n.
		If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	$	8n.
8p.	Elderly/disability allowance (default = $400)	$	8p.
8q.	Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)	$	8q.
8r.	Allowance per dependent (default = $480)	$	8r.
8s.	Dependent allowance: 8q X 8r	$	8s.
8t.	Total annual unreimbursed childcare costs	$	8t.
8x.	Total allowances: 8e + 8n + 8p + 8s + 8t	$	8x.
8y.	Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)	$	8y.

Section 3.1   Total Tenant Payment (TTP)

CFR 5.628

- Total tenant payment (TTP) is the highest of the following amounts, rounded to the nearest dollar:
  - In non-as-paid states:
    - 30 percent of family's monthly adjusted income
    - 10 percent of family's monthly income
    - PHA's minimum rent ($0 - $50 depending on PHA policy)
  - In as-paid states:
    - 30 percent of family's monthly adjusted income
    - 10 percent of family's monthly income
    - PHA's minimum rent ($0 - $50 depending on PHA policy) or
    - Welfare rent
      - That part of welfare assistance received from a public agency, specifically designated by that agency to meet the family's actual housing costs.

Learning Activity 3-1:   Calculation of TTP

- Using the information below, compete the 50058 on the page following from 9a through 9m.

Total annual income from 8a	$15,780
Adjusted annual income from 8y	$11,392
PHA's minimum rent	$35

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 100	$	9f.
9g.	Welfare rent per month (if none, put 0)	$	9g.
9h.	Minimum rent (if waived, put 0)	$	9h.
9i.	Enhanced Voucher minimum rent	$	9i.
9j.	TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	$	9j.
9k.	Most recent TTP	$	9k.
9m.	Qualify for minimum rent hardship exemption? (Y or N)	$	9m.

PHA PROCEDURES

- The PHA must notify all families of the right to request minimum rent hardship exemptions under the law.

- Hardship exemptions are subject to applicable PHA informal hearing procedures.

- The PHA can request reasonable documentation of hardship.

Learning Activity 3-2: **Minimum Rent Hardship**

- The Diamond family has requested a hardship exemption from the minimum rent. You have verified that the family does have a hardship.

- Using the information below, calculate the family's TTP while they are exempt from paying minimum rent.

Total annual income from 8a	$900
Adjusted annual income from 8y	$55
PHA's minimum rent	$50

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 100	$	9f.
9g.	Welfare rent per month (if none, put 0)	$	9g.
9h.	Minimum rent (if waived, put 0)	$	9h.
9i.	Enhanced Voucher minimum rent	$	9i.
9j.	TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	$	9j.
9k.	Most recent TTP	$	9k.
9m.	Qualify for minimum rent hardship exemption? (Y or N)	$	9m.

Learning Activity 4-1:   Gross Rent Below Payment Standard

- Using the information below, complete the 50058 on the page following from 12j through 12w.

PS	$800	Rent to Owner	$730
TTP	$220	UA	$40

12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	$	12e.
12f.	PHA code billed		12f.
12g.	Housing type: [ ] Group Home (prorate gross rent) [ ] Own manufactured home, lease space [ ] SRO: 1 room occupied by 1 person		
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	$	12j.
12k.	Rent to owner	$	12k.
12m.	Utility allowance, if any	$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	$	12p.
12q.	Lower of 12j or 12p	$	12q.
12r.	TTP: copy from 9j	$	12r.
12s.	Total HAP: 12q minus 12r	$	12s.

Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	$	12t.
12u.	HAP to owner: lower of 12k or 12s	$	12u.
12v.	Tenant rent to owner: 12k minus 12u	$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	$	12w.

Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p		$	12ab.
12ac.	Total number eligible			12ac.
12ad.	Total number in family			12ad.
12ae.	Proration percentage: 12ac ÷ 12ad		$	12ae.
12af.	Prorated total HAP: 12ab X 12ae		$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af		$	12ag.
12ah.	Utility allowance: copy from 12m		$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

Learning Activity 4-2:   Gross Rent Above Payment Standard

- Using the information below, complete the 50058 on the page following from 12j to 12w.

PS	$800	Rent to Owner	$765
TTP	$220	UA	$75

12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	$	12e.
12f.	PHA code billed		12f.
12g.	Housing type: [ ] Group Home (prorate gross rent) [ ] Own manufactured home, lease space [ ] SRO: 1 room occupied by 1 person		
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	$	12j.
12k.	Rent to owner	$	12k.
12m.	Utility allowance, if any	$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	$	12p.
12q.	Lower of 12j or 12p	$	12q.
12r.	TTP: copy from 9j	$	12r.
12s.	Total HAP: 12q minus 12r	$	12s.

Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	$	12t.
12u.	HAP to owner: lower of 12k or 12s	$	12u.
12v.	Tenant rent to owner: 12k minus 12u	$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	$	12w.

Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	$	12ag.
12ah.	Utility allowance: copy from 12m	$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	$	12aj.

Learning Activity 4-3:   Utility Reimbursement Payment

- Using the information below, complete the 50058 on the page following from 12j to 12w.

PS	$675	Rent to Owner	$525
TTP	$125	UA	$175

12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	$	12e.
12f.	PHA code billed		12f.
12g.	Housing type: [ ] Group Home (prorate gross rent) [ ] Own manufactured home, lease space [ ] SRO: 1 room occupied by 1 person		
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	$	12j.
12k.	Rent to owner	$	12k.
12m.	Utility allowance, if any	$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	$	12p.
12q.	Lower of 12j or 12p	$	12q.
12r.	TTP: copy from 9j	$	12r.
12s.	Total HAP: 12q minus 12r	$	12s.

Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	$	12t.
12u.	HAP to owner: lower of 12k or 12s	$	12u.
12v.	Tenant rent to owner: 12k minus 12u	$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	$	12w.

Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p	$	12ab.
12ac.	Total number eligible		12ac.
12ad.	Total number in family		12ad.
12ae.	Proration percentage: 12ac ÷ 12ad	$	12ae.
12af.	Prorated total HAP: 12ab X 12ae	$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af	$	12ag.
12ah.	Utility allowance: copy from 12m	$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent	$ 12ai.
		If negative, credit tenant	$ 12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k	$	12aj.

MAXIMUM FAMILY SHARE AT INITIAL OCCUPANCY

CFR 982.305(a)(5) and 982.508

- Any new admission or any family that moves may not pay more than 40 percent of adjusted monthly income toward the family share if the gross rent for the unit is greater than the applicable payment standard for the family.

- This limit applies only at the time of initial leasing of a unit, not after.

Learning Activity 4-4:   Affordability Check

- Using the information provided below, answer the following questions for this initial leasing of a unit.

  - Rent to owner: $ 750
  - Utility allowance: $ 35
  - PHA Payment Standard: $ 775
  - Monthly adjusted income: $1,300
  - Family Share: $ 400

1. Is this tenancy subject to the affordability test?   ☐ Yes   ☐ No

   Why? _____

   _____

2. If so, is the unit affordable?   ☐ Yes   ☐ No

Learning Activity 4-5:   Affordability Check

• Using the information provided below, answer the following questions for this initial leasing of a unit.

- Rent to owner: $ 875
- Utility allowance: $ 40
- PHA Payment Standard: $ 775
- Monthly adjusted income: $1,300
- Family Share: $ 530

1. Is this tenancy subject to the affordability test?   ☐ Yes ☐ No

   Why?

   _____

   _____

2. If so, is the unit affordable?   ☐ Yes ☐ No

Learning Activity 4-6:   Case Study of Prorated Assistance

• **Situation:** The Fulton family is leasing up a townhouse using a one-bedroom voucher issued by the Eastlake Housing Authority (EHA).

• **Family information:** The Fulton family consists of the following members:

Relation	Name	Age	Disabled	Citizenship Status
Head	Henry Fulton	72	Y	Eligible immigrant
Spouse	Tai Fulton	66	N	Eligible immigrant

• Henry Fulton receives $670 a month in SSI. He and his wife have a savings account earning 1.75 percent interest per year with a current balance of $7,800. They also have a non-interest bearing checking account with an average six-month balance of $900. The Fultons are paying off an old hospital bill of $1,200 at $90 a month.

• **Unit information:**

  - Size: One bedroom
  - Utility allowance: None
  - Rent to owner: $535

• **PHA information:**

  - In determining the cash value of assets, EHA policy calls for using:
    • The current balance in savings accounts
    • The six-month average balance in checking accounts
  - EHA's minimum rent is $50
  - EHA's one-bedroom payment standard is $540

• The PHA determined passbook rate is .0075

Task

1. Based on the information above, complete the following form HUD-50058 through line 12w.

2. Now assume that Tai Fulton's brother, an ineligible immigrant, comes to live with the family. Given no other change in the information above, complete lines 12ab through 12aj to calculate prorated rent for the Fultons.

6. Assets

6a. Family member name	No.	6b. Type of asset	6c. Calculation (PHA use)	6d. Cash value of asset	6e. Anticipated Income
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$

6f, 6g. Column totals	$ 6f.	$ 6g.
6h. Passbook rate (written as decimal)		0. _____ 6h.
6i. Imputed asset income: 6f X 6h (if 6f is $5,000 or less, put 0)		$ 6i.
6j. Final asset income: larger of 6g or 6i		$ 6j.

7. Income

7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$
				$	$	$

7g. Column total	$ 7g.
7h. Reserved	
7i. Total annual income: 6j + 7g	$ 7i.

7b: Income Codes	Welfare:	Other Income Sources:
Wages:	G = general assistance	C = child support
B = own business	IW = annual imputed welfare income	E = medical reimbursement
F = federal wage	T = TANF assistance	I = Indian trust/per capita
HA = PHA wage		N = other nonwage sources
M = military pay	**SS/SSI/Pensions:**	U = unemployment benefits
W = other wage	P = pension	
	S = SSI	
	SS = Social Security	

8. Expected Income Per Year

8a.	Total annual income: copy from 7i			$ 8a.

Permissible Deductions (Public Housing Only. If Section 8, Skip to 8f or 8q)

8b.	Family member name	No.	8c. Type of permissible deduction	8d. Amount
				$
				$
				$
				$
				$
				$

8e.	Total permissible deductions (sum of column 8d)	$ 8e.

If head/spouse/co-head is under 62 and no family member is disabled, skip to 8q

8f.	Medical/disability threshold: 8a X 0.03		$ 8f.
8g.	Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)		$ 8g.
8h.	Maximum disability allowance: If 8g minus 8f is positive or zero, put amount		$ 8h.
		If negative and head/spouse/co-head is under 62 and not disabled, put 0	$ 8h.
		If negative and head/spouse/co-head is elderly or disabled, copy from 8g	$ 8h.
8i.	Earnings in 7d made possible by disability assistance expense		$ 8i.
8j.	Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)		$ 8j.
8k.	Total annual unreimbursed medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)		$ 8k.
8m.	Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)		$ 8m.
8n.	Medical/disability assistance allowance:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	$ 8n.
		If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	$ 8n.
8p.	Elderly/disability allowance (default = $400)		$ 8p.
8q.	Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)		$ 8q.
8r.	Allowance per dependent (default = $480)		$ 8r.
8s.	Dependent allowance: 8q X 8r		$ 8s.
8t.	Total annual unreimbursed childcare costs		$ 8t.
8x.	Total allowances: 8e + 8n + 8p + 8s + 8t		$ 8x.
8y.	Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)		$ 8y.

9. Total Tenant Payment (TTP)

9a.	Total monthly income: 8a ÷ 12	$	9a.
9c.	TTP if based on annual income: 9a X 0.10	$	9c.
9d.	Adjusted monthly income: 8y ÷ 12	$	9d.
9e.	Percentage of adjusted monthly income: use 30% for Section 8		9e.
9f.	TTP if based on adjusted annual income: (9d X 9e) ÷ 100	$	9f.
9g.	Welfare rent per month (if none, put 0)	$	9g.
9h.	Minimum rent (if waived, put 0)	$	9h.
9i.	Enhanced Voucher minimum rent	$	9i.
9j.	TTP, highest of lines 9c, 9f, 9g, 9h, or 9i	$	9j.
9k.	Most recent TTP	$	9k.
9m.	Qualify for minimum rent hardship exemption? (Y or N)	$	9m.

12. Housing Choice Vouchers: Tenant Based Vouchers

12a.	Number of bedrooms on Voucher		12a.
12b.	Is family now moving to this unit? (Y or N)		12b.
12c.	Does the family qualify as a Hard to House family? (Y or N)		12c.
12d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 12g)		12d.
12e.	Cost billed per month (put 0 if absorbed)	$	12e.
12f.	PHA code billed		12f.
12g.	Housing type: [ ] Group Home (prorate gross rent) [ ] Own manufactured home, lease space [ ] SRO: 1 room occupied by 1 person		
12h.	Owner name		12h.
12i.	Owner TIN/SSN		12i.
12j.	Payment standard for the family	$	12j.
12k.	Rent to owner	$	12k.
12m.	Utility allowance, if any	$	12m.
12p.	Gross rent of unit: 12k + 12m (or Space Rent)	$	12p.
12q.	Lower of 12j or 12p	$	12q.
12r.	TTP: copy from 9j	$	12r.
12s.	Total HAP: 12q minus 12r	$	12s.

Rent Calculation (if prorated rent, skip to 12ab)

12t.	Total family share: 12p minus 12s	$	12t.
12u.	HAP to owner: lower of 12k or 12s	$	12u.
12v.	Tenant rent to owner: 12k minus 12u	$	12v.
12w.	Utility reimbursement to family: 12s minus 12u, but do not exceed 12m	$	12w.

Prorated Rent Calculation

12ab.	Normal total HAP: copy from 12s, but do not exceed 12p		$	12ab.
12ac.	Total number eligible			12ac.
12ad.	Total number in family			12ad.
12ae.	Proration percentage: 12ac ÷ 12ad		$	12ae.
12af.	Prorated total HAP: 12ab X 12ae		$	12af.
12ag.	Mixed family total family contribution: 12p minus 12af		$	12ag.
12ah.	Utility allowance: copy from 12m		$	12ah.
12ai.	Mixed family tenant rent to owner: 12ag minus 12ah	If positive or 0, put tenant rent	$	12ai.
		If negative, credit tenant	$	12ai.
12aj.	Prorated HAP to owner: 12k minus 12ai. If 12ai is negative, put 12k		$	12aj.

Tai's ineligible brother comes to live with them. Complete lines 12ab through 12aj to calculate prorated rent for the Fulton family.

Section 5.1: PBV Rent Calculation

Learning Activity 5-1:   Tenant Rent

- Using the information below, complete the 50058 on the page following from 11k through 11t.

Rent to Owner	$800
TTP	$220
UA	$40

11. Section 8: Project Based Certificates and Vouchers

11b.	Is family now moving to this unit? (Y or N)		11b
11d.	Did family move into your PHA jurisdiction under portability? (Y or N) (if no, skip to 11g)		11c.
11e.	Cost billed per month (put 0 if absorbed)	$	11e.
11f.	PHA code billed		11f.
11g.	Housing type: [ ] Group Home (prorate gross rent) [ ] SRO: 1 room occupied by 1 person		
11h.	Owner name		11h.
11i.	Owner TIN/SSN		11i.
11k.	Contract rent to owner (if unit has other subsidy, put subsidized rent)	$	11k.
11m.	Utility allowance, if any	$	11m.
11n.	Gross rent of unit: 11k + 11m	$	11n.
11q.	TTP: copy from 9j	$	11q.

Rent Calculation (if prorated rent, skip to 11aa)

11r.	Total HAP: 11n minus 11q. If 11q is larger, put 0		$	11r.
11s.	Tenant rent: 11k minus 11r	If positive or 0, put tenant rent	$	11s.
		If negative, credit tenant	$	11s.
11t.	HAP to owner: lower of 11k or 11r		$	11t.

Prorated Rent Calculation

11aa.	Normal total HAP: 11n minus 11q		$	11aa.
11ae.	Total number eligible			11ae.
11af.	Total number in family			11af.
11ag.	Proration percentage: 11ae ÷ 11af			11ag.
11ah.	Prorated total HAP: 11aa X 11ag		$	11ah.
11ai.	Mixed family TTP: 11n minus 11ah		$	11ai.
11aj.	Utility allowance: copy from 11m		$	11aj.
11ak.	Mixed family tenant rent: 11ai minus 11aj	If positive or 0, put tenant rent	$	11ak.
		If negative, credit tenant	$	11ak.
11an.	Prorated HAP to owner: 11k minus 11ak (if 11ak is negative, put 11k)		$	11an.

CHAPTER 7 Rent Calculation Quiz

Part I - True/False **T/F**

1. An HCV family's household composition changes. As a result, the family's voucher changes from a three-bedroom voucher to a two-bedroom voucher. The family resides in a three-bedroom unit. The three-bedroom payment standard must be applied at the first annual reexamination. . . . . _____

2. Earned income in excess of $480 of full-time students 18 and older (who are not the head, spouse, or cohead) is excluded from annual income.. . . . . _____

3. Actual income from assets is to be included when the total cash value of all family assets is $5,000 or less . . . . _____

4. The income of a temporarily absent spouse must be included in the annual income.. . . . . _____

5. TTP is always based on 30% of a family's monthly adjusted income . . . . . _____

6. In the HCV and PBV programs, only adult persons with disabilities can qualify for the earned income disallowance (EID) . . . . _____

7. Lump-sum payments are always counted as assets. _____

8. Disability assistance expenses may be deducted if they enable a family member to work or attend school. . . . . _____

9. If someone is self-employed, the gross income from their business in included in annual income. . . . . _____

10. The interest on the savings account of a 7-year-old boy is included in annual income.. . . . . _____

11. When someone who has a retirement account is still working, only count amounts they can withdraw without retiring or quitting.. . . . . _____

Part I - True/False   **T/F**

12. A family consists of a 61-year-old head of household and his 62-year-old spouse. Their annual income is $12,000. They have anticipated verified medical expenses of $1,000. The family's adjusted annual income is $10,960. _____

13. Jeremy Cook has been receiving $350 per month in TANF. He just enrolled in a qualifying state training program from which he is now receiving $500 a month. TANF benefits ended. He has no other income. The PHA must exclude the entire $500 from his annual income. . . . . _____

14. The PHA must exclude all amounts received from a HUD-funded training program. . . . . _____

15. If a family has had their welfare reduced for fraud or noncompliance with the welfare department's economic self-sufficiency program, the PHA must include imputed welfare income in the family's rent calculation. . . . . _____

16. A deferred periodic payment from the late start of TANF benefits is treated as an asset and therefore excluded from the family's annual income. . . . . _____

17. The average balance for six months is always counted as the cash value of a savings account. . . . . _____

18. Only disabled families are eligible for a disability assistance allowance. . . . _____

19. HUD requires that PHAs obtain verification of all fully excluded sources of income. . . . . _____

20. When income from employment is annualized, the gross income is used. . . _____

21. The PHA must use the amount listed on the Social Security award letter to annualize the Social Security income of program participants. . . . . _____

PART II - Multiple choice

22. When net family assets are greater than $5,000, income from assets is based upon:
    a. Actual income from assets
    b. Imputed income from assets
    c. The greater of imputed or actual income from assets

23. To verify wages, the PHA must collect a minimum of 2 current, consecutive pay stubs.
    a. True
    b. False

24. The formula to find the cash value of assets for calculation of rent is:
    a. Market value less current loan balance, if any, less anticipated expenses to sell
    b. Market value less six percent realtor fee
    c. Market value less annual taxes

25. Assets do not include:
    a. Checking accounts
    b. The family car
    c. Personal property held as an investment such as coin collections
    d. The cash surrender value of a life insurance policy

26. Which of the following determines the cash value of a checking account?
    a. Current balance
    b. Average monthly balance for prior six months
    c. PHA policy

27. XYZ PHA is conducting an interim reexamination to begin Jason's EID initial period. Jason recently reported that he obtained a job and will be earning $10 per hour while working 25 hours per week. Prior to obtaining this job, he was receiving $300 per month in TANF. His TANF benefits ended when he became employed. How much of Jason's annual earnings will be included?
    a. $0
    b. $4,700
    c. $9,400
    d. $3,600
    e. $13,000

28. Jenna Jones owned a home appraised at $300,000. There was no mortgage balance. Last month, she sold the house to her son for $1. Her son paid all fees and costs of the sale. The PHA must:
    a. Count $299,999 in the total cash value of her assets for two years from the date she sold the home
    b. Count the $1 in annual income
    c. Count $299,999 in her annual income from two years from the date she sold the home
    d. Terminate Jenna's assistance

29. Income of minors to be included in annual income is:
    a. $100 birthday gift from grandpa
    b. Interest on savings account
    c. Social Security
    d. Wages
    e. b and c

30. If known income will be received for less than one year:
    a. Treat as sporadic income
    b. You may annualize and conduct an interim if there is a change
    c. Use $100 per family member for the time no income is expected
    d. Use 10 percent of last year's income

31. To convert biweekly income to annual income, multiply by:
    a. 52
    b. 24
    c. 26
    d. 12

32. The Smith family's total tenant payment is based on the PHA's minimum rent of $50. They have just requested the minimum rent hardship exemption, and the PHA has determined that the family qualifies. The Smith family has the following income information:
    - 10 percent of their monthly income is $15
    - 30 percent of the adjusted monthly income is $4
    - Welfare rent does not apply
    The Smith family's TTP will now be:
    a. $0
    b. $4
    c. $15
    d. $50

33. Assets do not include:
    a. Checking accounts with balances of less than $100
    b. Cash value of a life insurance policy
    c. Personal property not held as an investment
    d. Savings accounts
    e. All of the above

34. In the HCV program, if a PHA increases its payment standard during the term of a HAP contract, when will the increased payment standard be applied to the family?
    a. PHA Policy
    b. At the family's first interim or annual reexamination after the payment standard was increased
    c. At the family's first annual reexamination after the payment standard was increased
    d. At the family's second annual reexamination after the payment standard was increased

35. PHA policies for the HCV and PBV programs are found in the _____.

36. The regulations at 24 CFR _____ govern both the HCV and PBV programs.
    The regulations at 24 CFR _____ are specific to the PBV program. . . . . .

PART III - Review this family and answer the questions below

   a. Head, age 45
   b. Spouse, age 45
   c. Son, age 19, who is a full-time student
   d. Daughter, age 16, who has quit school
   e. Foster child (male), age 12

   f. Granddaughter, age 1
   g. Grandmother, age 70
   h. Disabled brother of head, age 39
   i. No one

37. Who qualifies this family for a $400 elderly/disabled allowance?
     [Fill in correct letter (s)]:

     _____   _____   _____   _____   _____   _____   _____   _____   _____

38. Who gets a $480 dependent allowance? [Fill in correct letter (s)]

     _____   _____   _____   _____   _____   _____   _____   _____

39. Who gets a medical allowance? [Fill in correct letter (s)]

     _____   _____   _____   _____   _____   _____   _____   _____

40. If the spouse has a disability, who gets a medical allowance? [Fill in correct letter(s)]

     _____   _____   _____   _____   _____   _____   _____   _____

PART IV - Fill in the blanks

41. Annual income minus HUD allowances = _____

42. There are _____ HUD allowances; they include:

     ($400) _____

     ($480) _____

             _____

             _____

             _____

HCV Rent Calculation

43. Rent to owner – tenant rent to owner   = _____

44. Lower of payment standard or gross rent – TTP   = _____

45. Rent to owner – HAP   = _____

PBV Rent Calculation

46. IN PBV, each unit of the same size in the development will have the same utility allowance.
    a. True
    b. False

47. When are contract rents adjusted in the PBV program?

    _____

48. Which of the following HCV rent calculation areas do not apply to the PBV program? Check all that do not apply:
    a. Utility reimbursement payments
    b. Affordability test
    c. Payment standards
    d. Minimum rents

49. The OCAF is used to adjust rents in:
    a. The standard PBV program only
    b. Both the standard and RAD PBV programs
    c. The RAD PBV program only